

STAR BULLETIN  
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## Denies Rewald Assassination Tale *CIA Goes Public on ABC 'Error'*

Combined Dispatches

The CIA today sharply denied an allegation carried by ABC News that the spy agency engaged in a plot to kill Honolulu investment counselor Ronald Rewald, who claims his failed company was a CIA front.

In a rare public statement, the CIA declared that "the allegations are totally false. . . . As ABC knows, the CIA along with the rest of the U.S. government is prohibited by law from engaging in or contemplating assassination."

The CIA, in the statement issued in Washington, D.C., asked that ABC News retract its reports on the Rewald case that

were broadcast on ABC's World News Tonight last week.

IN RESPONSE to the CIA statement, ABC News spokeswoman Joanna Bistany said, "We stand by our story." She added that ABC News "never accused the CIA of attempting an assassination," but only reported what was alleged by Rewald and Scott Barnes, who ABC News described as having an "extensive intelligence background."

In its report last Wednesday, ABC News quoted Barnes as saying he took a job as a prison guard at the Oahu Community Correctional Center where Rewald was being held on fraud charges.

Barnes said he was told by his CIA contact that "we've got to take him (Rewald) out. . . . You know, kill him," an assignment Barnes said he refused. ABC News did not identify Barnes' alleged CIA contact.

THE CIA SAID today that Barnes was inventing the story.

The CIA has acknowledged using Rewald's now-bankrupt firm, Bishop, Baldwin, Rewald, Dillingham & Wong, as a mail drop, but denies that the agency was involved in creation of the company or in handling investors' funds.

Rewald and a group of investors have sued the CIA for \$671 million for damages related to

the collapse of Bishop, Baldwin, but bankruptcy trustees assigned to the firm have said that Rewald spent the investors' money for his personal use and company overhead.

The CIA today denied "other improper activities" alleged in the ABC News report, but declined to specify to which allegations it was referring. Besides the assassination accusation, the ABC News report contended that Rewald's company helped arrange "secret shipments of military hardware to countries like Syria, India and Taiwan."

BISTANY SAID ABC News agreed this week to run two sentences from a 171-word CIA statement denouncing the report, but that the agency insisted the entire statement be carried.

She also said that during preparation of the reports, ABC News repeatedly requested interviews with CIA officials so they could get out their side of the story, and they refused.

Rewald, who is facing federal and state charges that he defrauded investors in his counseling firm of millions of dollars, has claimed poverty and asked that government-appointed attorneys represent him.

The onetime social climber and polo enthusiast was indicted by a federal grand jury in Honolulu on Sept. 6. He pleaded not guilty to charges contained in a 100-count indictment.

U.S. Magistrate Bert Tokairin has set Nov. 6 for trial on those charges.

A week ago, a state judge cleared the way for Rewald to

# CIA denies it plotted to kill Rewald

United Press International

WASHINGTON — The CIA yesterday denied it plotted to assassinate accused Honolulu swindler Ronald Rewald and demanded that ABC News retract that allegation.

ABC said it merely reported charges by a man named Scott Barnes that he was asked by the CIA to kill Rewald. The network said it stands by the story, but still produced no substantiation for Barnes' state-

ments. "At no time did the report accuse the CIA of attempting to kill Rewald," ABC said.

The CIA, which rarely issues detailed public statements or responds to allegations other than with a "no comment," called the report an "example of irresponsible journalism" and demanded that the network turn over any evidence of an assassination plot to the Justice Department.

In a highly unusual statement, the CIA said:

"The allegations are totally false and are insulting not only to the CIA but to the U.S. system of justice that has been examining the case.

"As ABC knows, the CIA along with the rest of the U.S. government is prohibited by law from engaging in or contemplating assassination. ABC should make whatever evidence it has available to the Justice Department."

The report, which ran on ABC's "World News Tonight"

Sept. 19 and 20, focused on Rewald's allegations that the CIA created and ran his Honolulu company and was responsible for its collapse.

Rewald says he was a CIA agent and that his now-bankrupt firm, Bishop, Baldwin, Rewald, Dillingham & Wong, was a front for the agency.

ABC said, again without producing substantiation, that the company had been used by the CIA to conduct sensitive intelligence operations and

make secret shipments of weapons to foreign countries such as Syria, India and Taiwan.

(The CIA has acknowledged "slight contact" with Rewald, and the government says the CIA reimbursed Rewald's company less than \$3,000 for stationery and telephone and telex expenses.

(Records reviewed by The Advertiser indicate that the agency did use the company

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and a few subsidiaries as mail drops and commercial covers for CIA personnel.)

Rewald told ABC he came to believe the CIA was trying to kill him.

In another interview with the network, former Hawaii prison guard Barnes alleged the CIA had asked him to "take him (Rewald) out . . . you know, kill him."

Asked why the CIA wanted Rewald killed, Barnes told the network: "He obviously knew

some things in regards to national security and he was no longer an asset. He was now a liability" who had to be silenced.

Barnes said he got a job as a guard for one month at the same prison where Rewald was held, and that later he quit the assignment without carrying it out and left Hawaii.

The CIA had asked ABC to run the agency's response to the series, but said the network declined to use the full statement.

A spokesman for ABC said

the network had offered to air a portion of the statement which was reflective of the CIA's stand — but that it never had received clearance from the CIA to go ahead with the statement.

ABC anchorman Peter Jennings read part of the CIA statement during the network's evening broadcast yesterday and said, "We stand by our story and the investigation continues."

The CIA statement said, in part: "We regret that ABC has chosen to air a series of reports

wrongly accusing the CIA of engaging in an attempted assassination and other improper practices. The ABC report contains false and distorted statements."

The CIA said it wants the network to "retract its report and conduct a thorough and impartial investigation to determine who is responsible for it and what corrective measures ABC will take to prevent a recurrence."

Rewald faces a 100-count federal grand jury indictment of fraud, perjury and tax evasion.

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